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# MANAGEMENT COUNCIL NEWSLETTER

U. S. Department of Agriculture

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A summary of significant events of  
interest to USDA management

Issue #33  
April 2, 1976

FY 1977 BUDGET HEARINGS ALMOST COMPLETED.....Secretary Butz is scheduled to appear on April 5, 1976, before the Senate Agriculture and Related Agencies Appropriations Subcommittee. Then, under the provisions of the Congressional Budget Act of 1974, the Congressional Budget Committees are to report the first concurrent resolution on the FY 1977 budget to the House and Senate on or before April 15, 1976. Also, under this Act, Congress is to complete action on the first concurrent resolution on the FY 1977 budget on or before May 15, 1976. (Contact: B. Sherman, OMF, ext. 76176)

HOUSE AGRICULTURE COMMITTEE AND SENATE AGRICULTURE AND FORESTRY COMMITTEE MAKES RECOMMENDATIONS ON THE 1977 USDA BUDGET TO THEIR RESPECTIVE BUDGET COMMITTEES.....These recommendations will be considered in developing initial congressional spending targets for 1977. The following table summarizes these recommendations by budget function:

Item	Recommended Change in President's Budget			
	House		Senate	
	Agriculture Committee		Agriculture and Forestry Committee	
	Budget Authority	Outlays (\$ in millions)	Budget Authority	Outlays
Feeding Programs.	+\$1,514	+\$1,549	+\$2,274	+\$2,274
Commodity Credit Corporation.....	- -	+319	- -	+209
P.L. 480.....	+80	+129	- -	- -
Natural Resources	+347	+363	+198	+198
All Other:				
FmHA Programs...	+307	+848	+167	+167
Other.....	+138	+138	+196	+183
TOTAL, USDA....	+2,386	+3,346	+2,835	+3,031

(Contact: Bill Gardner, OMF, ext. 75901)

AUDIT REPORTS RELEASED UNDER FIA.....Freedom of Information Act requires OA to publicly release most audit reports on request. OA tells the concerned agency as soon as a report is requested and when it is released. Agency should promptly notify employees having a direct interest in the audit report to prepare them for possible contacts from news media and otherwise unexpected publicity. (Contact: Ben Robinson, OA, ext. 77671)

FLEMING NAMED DEPUTY DIRECTOR OA.....Darrell E. Fleming, 47, comes to OA from service as deputy comptroller in Army Communications Command. An Illinois-born Californian and graduate of Humphrey College, Stockton, CA., Fleming entered government in 1957 with Army Audit Agency. He served there in increasingly responsible jobs until 1970, when he transferred to the Communications Command. Fleming reported to OA March 7. (Contact: D. Fleming, OA, ext. 75907)

# LEGISLATIVE ITEMS OF INTEREST.....

- ... Palm Oil Imports Subject of House Hearings. On March 18 a subcommittee of the House Agriculture Committee held hearings on the increased imports of palm oil. Assistant Secretary Bell testified on the increased world production of palm oil and its effects on U.S. soybean production. (Contact: John Mottershead, OMF, ext. 74654)
- ... Hearings Held on Food Industry Antitrust Reports Act of 1975. A subcommittee of the House Judiciary Committee held hearings on March 17 on H.R. 9182, Food Industry Antitrust Reports Act of 1975. Quentin West, Administrator, ERS, testified in opposition to the bill which would permit the FTC to have direct access to confidential records. (Contact Jackie White, OMF, ext. 74654)
- ... Emergency Drought Relief Hearings Held. On March 19 a subcommittee of the House Agriculture Committee held hearings on H.R. 12083, which would provide that USDA make financial assistance available to initiate weather modification activities when the President declares that a drought exists. Victor Barry, SCS, testified in opposition to the bill. (Contact: Jackie White, OMF, ext. 74654)
- ... Resolution Introduced to Halt One-Stop Service Centers. Rep. Baldus (D-Wis.) introduced H. J. Res. 847, to prohibit further implementation of the One-Stop Service Centers. (Contact: John Mottershead, OMF, ext. 74654)
- ... Hearings Concluded on Federal Estate and Gift Taxes. House Ways and Means Committee concluded hearings March 23. Members of Congress and public witnesses testified. Significant provisions of the Administration's proposal include an increase in the exemption to \$150,000 and extension of the deferment period to five years and the repayment period to 20 years with a 4% interest rate. (Contact: Jackie White, OMF, ext. 74654)
- ... Authorization to Use Funds for Orientation and Language Training for Dependents of USDA Personnel with Foreign Assignments. On March 16 the Senate passed, without amendment, S. 3052, sending the measure to the House. (Contact: John Mottershead, OMF, ext. 74654)
- ... Upgrading of Certain USDA Policy Level Officials. James Keast, General Counsel, testified before a subcommittee of the House Committee on Agriculture on this USDA proposal. (Contact: John Mottershead, OMF, ext. 74654)
- ... Hearings on a Bill to Establish a Zero-Base Budget Review and Government Program Evaluation Every Four Years. USDA has been asked to testify April 6-8 before the Senate Committee on Government Operations, Subcommittee on Intergovernmental Relations. (Contact: Jackie White, OMF, ext. 74654)
- ... Operation of USDA's Working Capital Fund (WCF) Questioned by Both House and Senate During FY 1977 Budget Hearings. There seemed to be some misunderstanding in both the House and Senate hearings about the functions of the WCF in terms of the basic purpose of the Fund. It was explained to the Committees that (1) the WCF is simply a mechanism whereby the Department operates centralized services which are needed and requested by USDA agencies, (2) the agencies present their needs and requirements and the Department responds by providing the service, and (3) agencies are charged for that service in a similar way as they would be charged if they went to a commercial firm for the particular service. (Contact: Rick Certo, OMF, ext. 77265)



HATCH ACT AMENDMENTS ACT AWAITS PRESIDENTIAL ACTION AFTER CLEARING CONGRESS ON MARCH 31, 1976.....See issue #32 for details. (Contact: John Mottershead, OMF, ext. 74654)

OI SUPERVISORY SPECIAL AGENT TO SERVE AS INSTRUCTOR AT THE CRIMINAL INVESTIGATION SCHOOL OF THE FEDERAL LAW ENFORCEMENT TRAINING CENTER, GLYNCO, GA.....As one of leading schools for law enforcement training (under executive direction of Treasury Dept.), the Center provides criminal investigative and policy training to various departments - including USDA - that have criminal investigative units. (Contact: Rod Elam, OI, ext. 76979)

INTERIM BILLING SYSTEM FOR COMPUTER SERVICES TO BE USED.....Commencing with the March billings, ADS will make an adjustment to each Agency's monthly bill which will essentially zero out expenses and income at a particular computer center. This process should virtually eliminate the over-absorption and significant refunds that users have periodically experienced under the current rate structure (installed in January 1976). The process will continue until October 1, 1976, when a revised rate structure reflecting experience gained over the preceding months will be put into effect. (Contact: H. Meetze, ADS, ext. 76275)

#### DID YOU KNOW THAT ADS.....

- ... Consists of 442 personnel, 86 percent of whom operate the Department's five major computer centers located in Washington, New Orleans, Kansas City, St. Louis and Fort Collins.
- ... Develops ADP policies, procedures and standards for approximately 2,000 USDA people employed in ADP.
- ... Has recently published the Department's first manual covering ADP policies, procedures and standards.
- ... Is sponsoring the Department's second seminar for senior agency ADP personnel oriented toward improvements in ADP planning.
- ... Will shortly publish the Department's first long-range ADP plan.
- ... Now has four Departmental computer centers (WCC, NOCC, KCCC and FCCC) accessible from selected remote work stations via a shared data communications network.
- ... Has provided support to agencies to install some 865 terminals (785 teletype; 80 remote batch) and some 47,500 miles of telecommunications circuits.
- ... Assisted agencies in establishing 27 automated data bases to support critical program areas.
- ... Increased reliability of its computer centers from 90 percent to 97 percent during FY 75.
- ... Processed 1,024,000 jobs in FY 75 compared with 626,000 jobs the year before (64 percent increase) with 8 fewer personnel in computer centers.
- ... Decreased average cost per job from \$25.31 to \$19.11 in FY 75--down 24.4 percent compared with previous year.
- ... Closed one computer center (Minneapolis) in FY 75 and shifted its workload to FCCC at a cost savings of \$480,000.
- ... Has 79 percent of the value of the Department's ADP inventory, excluding terminals and PCAM equipment.
- ... Reorganized its headquarters organization in FY 75--reduced 14 positions--lowered average grade from 12.2 to 11.2 with cost avoidance of \$300,000.
- ... Instituted zero based budgeting and an internal Management by Objectives system in FY 75.

AS OF FEBRUARY 29, THE DEPARTMENT CONTINUED TO MAKE THE FORMS AND REPORTS REDUCTION CAMPAIGN A SUCCESS.....

	Number Eliminated	% of Total	Annual Savings	Number Improved	Annual Savings
Forms	9,664	26%	\$13,837,530	220	\$ 12,161
Reports	710	16%	2,188,204	135	194,240

Total annual savings: \$16,232,135

Despite this bright picture, some agencies have not yet met their goals in forms; some haven't done so in reports. Assistant Secretary Bolduc plans to meet with Administrators of these agencies to discuss their progress and plans. (Contact: C.R. Hanna, OMF, ext. 76111)

USDA'S "ADMINISTRATIVE HOT-LINE" FOR EMPLOYEE COMPLAINTS DISCONTINUED AFTER 5 MONTHS OPERATION..... Many requests and suggestions were received and referred to appropriate staff offices for action during initial stage of operation. However during recent months, too few calls were received to justify cost of continuing the hot-line. Employee complaints and suggestions will now be routed through normal channels for resolution.

HOW FmHA LED ALL USDA AGENCIES IN PARTICIPATION IN LAST YEAR'S SAVINGS BOND PROGRAM..... FmHA campaign officials credit the success to the responsiveness of FmHA employees to the keen personal interest of the Administrator and other top agency officials. Throughout the campaign, Administrator Frank Elliott and his campaign coordinators stressed a few simple benefits of the program and made sure that everyone in the agency had an opportunity to know and understand the real purpose of the campaign. Here's what FmHA stressed:

- ... FmHA has a proud record. For at least five years FmHA more than met its goals.
  - ... Savings are an investment program. Continuing, systematic, individual and family savings programs are what we're after--not a big, one-time rush to sign up for an agency record.
  - ... It's patriotic to save through savings bonds. Benefits of the program contribute to: (1) effective management of the national debt and (2) reduction of Government competition in money and capital markets.
  - ... Savings bonds are a good source of reserve cash. Bonds return 6 percent on an annual basis, but if you need ready money they may be cashed after the 60-day holding period without penalty.
- (Contact: George Bickerton, ARS, ext. 68051)

HIGHLIGHTS OF APRIL 1 MANAGEMENT COUNCIL MEETING.....

- ...Management Council Conference set for May 5-7 at Gettysburg, Pa.
- ...OMB agreed to give USDA some relief on proposed ADP ceiling for this year. Next year's ceiling may result in tough objective review of current and new ADP applications.
- ...USDA has big part in President's program to reduce public use forms by 10%.
- ...Cleanup of agency's storage space in D.C. complex is planned.